version or refunding issues, followed for each year by the net new demands for capital obtained by deducting conversions from total issues :

ISSUES OF NEW SECURITIES, 1896-1906.

Year.	Total issues.	Conversions.	Net new demands for capital.
1896	$3,227,359,071	$1,465,451,600	$1,761,907,451
1897	1,852,173,846	132,182,873	1,719,991,013
1898	2,034,766,348	3^,530,453	1,718,235,895
1899	2,175,823,434	120,873,970	2,054,949,464
1900	2,289,642,963		2,289,642,953
1901	1,917,916,282		
1902	3*597,439,052	1,639,921,000	1,957,568,052
1903	3,534,248,906	1,687,729,387	1,846,519,519
1904	2,785,138,525	353,445,223	2,431,693,302
1905	3,688,124,622	323,487,879	3,361,636,743
1906	5,126,000,000	**2,001,000,000**	3,125,000,000

These figures show that, while new demands for capital were comparatively uniform from 1896 down to 1903, they increased to an enormous extent during the next three years. Hence came the strain which was felt in the market for capital in Great Britain and Germany as well as in America. In the United States issues of the negotiable securities of corporations—stocks and bonds—multiplied much more rapidly than the

total mass of tangible physical property, whose value was computed in 1904 at $107,104,211,917. This increase in security issues gave an appearance of fluidity to the capital of the country, which was in some respects deceptive. While securities are themselves readily negotiable under normal conditions, they represent fixed capital and not circulating capital. Stocks are the title to shares in permanent investments, like railways, factories, and buildings. Bonds usually represent the obligations which have been issued to acquire fixed capital and are secured by mortgages upon railway mileage, factories, and buildings. The conversion of circulating capital into these fixed forms proceeded at a remarkable rate after the recovery from indus-